

SCHEDULE RC-L -- OFF-BALANCE SHEET ITEMS

General Instructions

Schedule RC-L should be completed on a fully consolidated basis. Schedule RC-L includes the following selected commitments, contingencies, and other off-balance sheet items that are not reportable as part of the balance sheet of the Report of Condition, except that the fair values of certain derivative contracts reported in item 17 of this schedule on the FFIEC 031, 032, and 033 report forms may be carried on the balance sheet. Among the items not to be reported in this schedule are contingencies arising in connection with litigation.

Item Instructions

Item No. Caption and Instructions

- 1 **Unused commitments.** Report in the appropriate subitem the unused portions of commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions. Report the unused portions of all credit card lines in item 1.b. Report in items 1.a and 1.c through 1.e the unused portions of commitments for which the bank has charged a commitment fee or other consideration, or otherwise has a legally binding commitment. Such commitments are to be reported in the appropriate subitem regardless of whether they contain "material adverse change" clauses or other provisions that are intended to relieve the issuer of its funding obligations under certain conditions and regardless of whether they are unconditionally cancellable at any time. In the case of commitments for syndicated loans, report only the bank's proportional share of the commitment. Unused commitments are to be reported gross, i.e., include in this item the amounts of commitments acquired from and conveyed to others.

Include loan proceeds that the bank is obligated to advance, such as loan draws, construction progress payments, seasonal or living advances to farmers under prearranged lines of credit, rotating or revolving credit arrangements, including retail credit cards, or similar transactions. Forward agreements and commitments to issue a commitment at some point in the future are to be reported in this item.

In addition, include revolving underwriting facilities (RUFs), note issuance facilities (NIFs), and other similar arrangements. These are facilities under which a borrower can issue on a revolving basis short-term paper in its own name, but for which the underwriting banks have a legally binding commitment either to purchase any notes the borrower is unable to sell by the rollover date or to advance funds to the borrower.

- 1.a **Revolving, open-end lines secured by 1-4 family residential properties.** Report the unused portions of commitments to extend credit under revolving, open-end lines of credit secured by 1-4 family residential properties. These lines, commonly known as home equity lines, are typically secured by a junior lien and are usually accessible by check or credit card.

Item No. Caption and Instructions

1.b Credit card lines. Report the unused portions of all commitments to extend credit both to individuals for household, family, and other personal expenditures and to commercial or industrial enterprises through credit cards. Exclude home equity lines accessible through credit cards. Banks may report unused credit card lines as of the end of their customers' last monthly billing cycle prior to the report date or as of the report date.

1.c Commercial real estate, construction and land development Report in the appropriate subitem the unused portions of commitments to extend credit for commercial real estate, construction, and land development activities.

1.c.(1) Commitments to fund loans secured by real estate. Report the unused portions of commitments to extend credit for the specific purpose of financing commercial and multifamily residential properties (e.g., business and industrial properties, hotels, motels, churches, hospitals, and apartment buildings), provided that such commitments, when funded, would be reportable as either loans secured by multifamily residential properties in Schedule RC-C, item 1.d, or loans secured by nonfarm nonresidential properties in Schedule RC-C, item 1.e.

Also include the unused portions of commitments to extend credit for the specific purpose of financing land development (i.e., the process of improving land - laying sewers, water pipes, etc.) preparatory to erecting new structures or the on-site construction of industrial, commercial, residential, or farm buildings, provided that such commitments, when funded, would be reportable as loans secured by real estate in Schedule RC-C, item 1.a, "Construction and land development." For this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures. Also include in this item loan proceeds the bank is obligated to advance as construction progress payments.

Do not include general lines of credit that a borrower, at its option, may draw down to finance construction and land development (report in Schedule RC-L, item 1.c.(2) or item 1.e, below, as appropriate).

1.c.(2) Commitments to fund loans not secured by real estate. Report the unused portions of all commitments to extend credit for the specific purpose of financing commercial and residential real estate activities, e.g., acquiring, developing, and renovating commercial and residential real estate, provided that such commitments, when funded, would be reportable in the FFIEC 034 as "Commercial and industrial loans" in Schedule RC-C, item 4, or as "All other loans" in Schedule RC-C, item 8; in the FFIEC 032 and 033 as "Commercial and industrial loans" in Schedule RC-C, item 4, or as "All other loans" in Schedule RC-C, item 9.b; and in the FFIEC 031 as "Commercial and industrial loans" in Schedule RC-C, item 4, column A, or as "Other loans" in Schedule RC-C, item 9, column A. Include in this item loan proceeds the bank is obligated to advance as construction progresses.

Such commitments generally may include:

- (1) commitments to extend credit for the express purpose of financing real estate ventures as evidenced by loan documentation or other circumstances connected with the loan; or
- (2) commitments made to organizations or individuals 80 percent of whose revenue or assets are derived from or consist of real estate ventures or holdings.

Item No. Caption and Instructions

1.c.(2) Exclude from this item all commitments that, when funded, would be reportable as "Loans secured by real estate" in Schedule RC-C, item 1. Also exclude commitments made to commercial and industrial firms where the sole purpose for the financing is to construct a factory or office building to house the company's operations or employees.

1.d **Securities underwriting.** Report the unsold portion of the reporting bank's own takedown in securities underwriting transactions. Include NIFs and RUFs in this item.

1.e **Other unused commitments.** Report the unused portion of all other commitments not reportable above. Include commitments to extend credit through overdraft facilities or commercial lines of credit and retail check credit and related plans.

Also include commitments to extend credit secured by 1-4 family residential properties, except (a) revolving, open-end lines of credit secured by 1-4 family residential properties (e.g., home equity lines) which should be reported in Schedule RC-L, item 1.a, above, and (b) commitments for 1-4 family residential construction and land development loans (that are secured by such properties) which should be reported in Schedule RC-L, item 1.c.(1) above.

2 and 3 **General Instructions for Standby Letters of Credit** -- Originating banks must report in items 2 and 3 the full amount outstanding and unused of financial and performance standby letters of credit, respectively. Include those standby letters of credit that are collateralized by cash on deposit, that have been acquired from others, and in which participations have been conveyed to others where (a) the originating and issuing bank is obligated to pay the full amount of any draft drawn under the terms of the standby letter of credit and (b) the participating banks have an obligation to partially or wholly reimburse the originating bank, either directly in cash or through a participation in a loan to the account party.

For syndicated standby letters of credit where each bank has a direct obligation to the beneficiary, each bank must report only its share in the syndication. Similarly, if several banks participate in the issuance of a standby letter of credit under a bona fide binding agreement which provides that (a) regardless of any event, each participant shall be liable only up to a certain percentage or to a certain amount and (b) the beneficiary is advised and has agreed that each participating bank is only liable for a certain portion of the entire amount, each bank shall report only its proportional share of the total standby letter of credit.

For a financial or performance standby letter of credit that is in turn backed by a financial standby letter of credit issued by another bank, each bank must report the entire amount of the standby letter of credit it has issued in either item 2 or item 3 below, as appropriate. The amount of the reporting bank's financial or performance standby letter of credit that is backed by the other bank's financial standby letter of credit must also be reported in either item 2.a or 3.a, as appropriate, since the backing of standby letters of credit has substantially the same effect as the conveying of participations in standby letters of credit.

On the FFIEC 031, also include all financial and performance guarantees issued by foreign offices of the reporting bank pursuant to Federal Reserve Regulation K or Section 347.3(c)(1) of the FDIC Rules and Regulations.

Item No. Caption and Instructions

- 2 Financial standby letters of credit (and foreign office guarantees -- for the FFIEC 031)** Report the amount outstanding and unused as of the report date of all financial standby letters of credit (and all legally binding commitments to issue financial standby letters of credit) issued by any office of the bank. A financial standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (account party) fails to repay an outstanding loan or debt instrument. (See the Glossary entry for "letter of credit" for further information.)

Exclude from financial standby letters of credit:

- (1) Financial standby letters of credit where the beneficiary is a consolidated subsidiary of the reporting bank.
- (2) Performance standby letters of credit.
- (3) Signature or endorsement guarantees of the type associated with the clearing of negotiable instruments or securities in the normal course of business.

- 2.a Amount of financial standby letters of credit conveyed to others** Report that portion of the bank's total contingent liability for financial standby letters of credit reported in item 2 that the bank has conveyed to others. Also include that portion of the reporting bank's financial standby letters of credit that are backed by other banks' financial standby letters of credit, as well as the portion that participating banks have reparticipated to others. Participations and backings may be for any part or all of a given obligation.

- 3 Performance standby letters of credit (and foreign office guarantees -- for the FFIEC 031)** Report the amount outstanding and unused as of the report date of all performance standby letters of credit (and all legally binding commitments to issue performance standby letters of credit) issued by any office of the bank. A performance standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (account party) fails to perform some contractual non-financial obligation. (See the Glossary entry for "letter of credit" for further information.)

Exclude from performance standby letters of credit:

- (1) Performance standby letters of credit where the beneficiary is a consolidated subsidiary of the reporting bank.
- (2) Financial standby letters of credit.
- (3) Signature or endorsement guarantees of the type associated with the clearing of negotiable instruments or securities in the normal course of business.

- 3.a Amount of performance standby letters of credit conveyed to others** Report that portion of the bank's total contingent liability for performance standby letters of credit reported in item 3 that the bank has conveyed to others. Also include that portion of the reporting bank's performance standby letters of credit that are backed by other banks' financial standby letters of credit, as well as the portion that participating banks have reparticipated to others. Participations and backings may be for any part or all of a given obligation.

Item No. Caption and Instructions

- 4 Commercial and similar letters of credit.** Report the amount outstanding and unused as of the report date of issued or confirmed commercial letters of credit, travelers' letters of credit not issued for money or its equivalent, and all similar letters of credit, but excluding standby letters of credit (which are to be reported in items 2 and 3 above). (See the Glossary entry for "letter of credit.") Legally binding commitments to issue commercial letters of credit are to be reported in this item.

Travelers' letters of credit and other letters of credit issued for money or its equivalent by the reporting bank or its agents should be reported as demand deposit liabilities in Schedule RC-E.

- 5 Participations in acceptances conveyed to others by the reporting bank** (Item 5 is not applicable to banks filing the FFIEC 034.) Report the amount of all participations conveyed to others by the reporting (accepting) bank in its acceptances that are outstanding regardless of the nature of the participation agreement and regardless of the system of debits and credits used to reflect the agreement on the reporting (accepting) bank's books. Thus, participations in acceptances conveyed to others by the reporting (accepting) bank are to include both those that provide for participation in the risk of loss in the event of default by the account party at the time of maturity and those that provide for participation in putting the holder of the acceptance in funds at the maturity of the acceptance. Also report the amount of participations in acceptances of other (accepting) banks that the reporting bank has acquired and subsequently conveyed to others.

Do not reduce the reporting (accepting) bank's "Bank's liability on acceptances executed and outstanding" (Schedule RC, item 18) or "Customers' liability to this bank on acceptances outstanding" (Schedule RC, item 9) by the amount of such participations regardless of the nature of the agreement and regardless of the system of debits and credits used to reflect the agreement on the reporting (accepting) bank's books. (See the Glossary entry for "bankers acceptances" for a detailed description of the required treatment of bankers acceptances in the Report of Condition.)

- 6 Participations in acceptances acquired by the reporting (nonaccepting) bank** Report the amount of all participations acquired by the reporting (nonaccepting) bank in the acceptances of other (accepting) banks that are outstanding, whether acquired from the accepting bank or from others, regardless of the nature of the participation agreement and regardless of the system of debits and credits used to reflect the agreement on the reporting (nonaccepting) bank's books. Thus, participations in acceptances acquired by the reporting (nonaccepting) bank are to include both those that provide for participation in the risk of loss in the event of default by the account party at the time of maturity and those that provide for participation in putting the holder of the acceptance in funds at the maturity of the acceptance.

The reporting (nonaccepting) bank acquiring such participations should not report the current amount of these participations in "Bank's liability on acceptances executed and outstanding" (Schedule RC, item 18) or "Customers' liability to this bank on acceptances outstanding" (Schedule RC, item 9) regardless of the nature of the agreement and regardless of the system of debits and credits used to reflect the agreement on the reporting (nonaccepting) bank's books. (See the Glossary entry for "bankers acceptances" for a detailed description of the required treatment of bankers acceptances in the Report of Condition.)

Item No. Caption and Instructions

- 7 Securities borrowed.** Report the amount of securities borrowed against collateral (other than cash), or on an uncollateralized basis, for such purposes as a pledge against deposit liabilities or delivery against short sales. Report borrowed securities that are fully collateralized by similar securities of equivalent value at market value at the time they were borrowed. Report other borrowed securities at market value as of the report date.
- 8 Securities lent.** Report the appropriate amount of all securities lent against collateral or on an uncollateralized basis. Report the book value of bank-owned securities that have been lent. In addition, for customers who have been indemnified against any losses by the reporting bank, report the market value as of the report date of such customers' securities, including customers' securities held in the reporting bank's trust department, that have been lent. If the reporting bank has indemnified its customers against any losses on their securities that have been lent by the bank, the commitment to indemnify -- either through a standby letter of credit or other means -- should not be reported in any other item on Schedule RC-L.
- 9 Financial assets transferred with recourse that have been treated as sold for Call Report purposes.** Report in the appropriate subitem the outstanding principal balance of and the recourse exposure on financial assets that have been transferred with recourse in transactions reported as sales in accordance with generally accepted accounting principles (GAAP) or that have been transferred in other transactions that qualify for sale treatment under GAAP in which risk of loss or obligation for payment of principal or interest has been retained by, or may fall back upon, the seller (see the Glossary entry for "Sales of Assets for Risk-Based Capital Purposes"). Also include in the appropriate subitem the outstanding principal balance of and the recourse exposure on mortgages that have been swapped with recourse with FNMA or FHLMC in exchange for participation certificates or other securities which the bank has either sold or carries as assets in Schedule RC, Balance Sheet. A transfer of loans without recourse or any other form of risk retention in which the bank's (or a consolidated subsidiary's) servicing responsibilities obligate it to advance interest payments on delinquent loans is not considered a transfer with recourse for purposes of this item.

The amount of recourse exposure to be reported in this item is the maximum contractual exposure remaining as of the report date under the recourse or other risk retention provision under which the assets have been transferred (or swapped), not a reasonable estimate of the probable loss under this provision and not the fair value of the liability incurred under this provision. Further, the remaining maximum contractual exposure should not be reduced by the amount of any associated recourse liability account. The amount of recourse exposure to be reported should not include interest payments the bank has advanced on delinquent loans. For assets transferred (or swapped) with full (unlimited) recourse or risk retention, the amount of recourse exposure to be reported is the outstanding principal balance of the assets as of the report date. For assets transferred (or swapped) with limited recourse or risk retention, the amount of recourse exposure to be reported is the maximum amount of principal the transferring bank would be obligated to pay the holder of the assets in the event the entire outstanding principal balance of the assets transferred (or swapped) becomes uncollectible.

9.a First lien 1-to-4 family residential mortgage loans:

Item No. Caption and Instructions

- 9.a.(1) Outstanding principal balance of mortgages transferred as of the report date.** Report the principal balance outstanding as of the report date for first lien 1-to-4 family residential mortgage loans that have been transferred with recourse or some other form of risk retention by the bank or a consolidated subsidiary in transactions that have been reported as sales in accordance with generally accepted accounting principles. Also report the principal balance outstanding as of the report date for first lien 1-to-4 family residential mortgage loans that have been swapped with recourse with FNMA and FHLMC in exchange for participation certificates or other securities which the bank has either sold or carries as assets in Schedule RC, item 2, "Securities," or item 5, "Trading assets."
- 9.a.(2) Amount of recourse exposure on these mortgages as of the report date.** Report the amount of recourse exposure or other form of risk retention associated with the mortgages whose outstanding principal balance was reported in item 9.a.(1) above.
- 9.b Other financial assets (excluding small business obligations reported in item 9.c).** Exclude from items 9.b.(1) and (2) the outstanding principal balance of and amount of recourse retained on small business obligations transferred with recourse under Section 208 of the Riegle Act of 1994, which are to be reported in items 9.c.(1) and (2), below.
- 9.b.(1) Outstanding principal balance of assets transferred as of the report date.** Report the principal balance outstanding as of the report date for financial assets other than first lien 1-to-4 family residential mortgage loans (e.g., debt securities, consumer loans, commercial loans, and commercial real estate loans) that have been transferred with recourse or some other form of risk retention by the bank or a consolidated subsidiary in transactions that have been reported as sales in accordance with generally accepted accounting principles. Also report the principal balance outstanding as of the report date for mortgages other than first lien 1-to-4 family residential mortgage loans that have been swapped with recourse with FNMA and FHLMC in exchange for participation certificates or other securities which the bank has either sold or carries as assets in Schedule RC, item 2, "Securities," or item 5, "Trading assets."
- 9.b.(2) Amount of recourse exposure on these assets as of the report date.** Report the amount of recourse exposure or other form of risk retention associated with the assets whose outstanding principal balance was reported in item 9.b.(1) above.
- 9.c Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:**
- 9.c.(1) Outstanding principal balance of small business obligations transferred as of the report date.** Report the principal balance outstanding as of the report date for small business loans and leases on personal property (small business obligations) which the bank has transferred with recourse during the time the bank was a "qualifying institution" and did not exceed the retained recourse limit set forth in banking agency regulations implementing Section 208. Transfers of small business obligations with recourse that were consummated during such a time should be reported as sales for Call Report purposes if the transactions are treated as sales under generally accepted accounting principles (GAAP) and the institution establishes a recourse liability account that is sufficient under GAAP.
- 9.c.(2) Amount of retained recourse on these obligations as of the report date.** Report the amount of recourse the bank has retained on the small business obligations whose outstanding principal balance was reported in item 9.c.(1).

Item No. Caption and Instructions

- 10 Notional amount of credit derivatives.** Report in the appropriate subitem the notional amount of all credit derivatives. Credit derivatives are off-balance sheet arrangements that allow one party (the "beneficiary") to transfer the credit risk of a "reference asset" to another party (the "guarantor"). Banks should include the notional amounts of credit default swaps, total rate of return swaps, and other credit derivative instruments.

All transactions within the consolidated bank should be reported on a net basis, i.e., intrabank transactions should not be reported in this item. No other netting of contracts is permitted for purposes of this item. Therefore, do not net: (1) credit derivatives with third parties on which the reporting bank is the beneficiary against credit derivatives with third parties on which the reporting bank is the guarantor, or (2) contracts subject to bilateral netting agreements. The notional amount should not be included in items 14 through 17 of this schedule. Exclude all items which are required to be reported as assets or liabilities on the balance sheet of the Report of Condition (Schedule RC).

- 10.a Credit derivatives on which the reporting bank is the guarantor.** Report the notional amount (stated in U.S. dollars) of all credit derivatives on which the bank has extended credit protection to other parties.

- 10.b Credit derivatives on which the reporting bank is the beneficiary.** Report the notional amount (stated in U.S. dollars) of all credit derivatives on which the bank has obtained a guarantee against credit losses from other parties.

- 11 Spot foreign exchange contracts.** Report the gross amount (stated in U.S. dollars) of all spot contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange that are outstanding as of the report date. All transactions within the consolidated bank should be reported on a net basis.

A spot contract is an agreement for the immediate delivery, usually within two business days, of a foreign currency at the prevailing cash market rate. Spot contracts are considered outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying currencies.

Only one side of a spot foreign exchange contract is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a spot contract which obligates the bank to purchase U.S. dollar exchange against which it sells deutsche marks, then the bank would report (in U.S. dollar equivalent values) the amount of deutsche marks sold in this item. In cross-currency spot foreign exchange transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported (in U.S. dollar equivalent values).

- 12 All other off-balance sheet liabilities.** Report all significant types of off-balance sheet liabilities not covered in other items of this schedule. Exclude all items which are required to be reported as liabilities on the balance sheet of the Report of Condition (Schedule RC), contingent liabilities arising in connection with litigation in which the reporting bank is involved, commitments to purchase property being acquired for lease to others (report in Schedule RC-L, item 1.e above), and signature and endorsement guarantees of the type associated with the regular clearing of negotiable instruments or securities in the normal course of business.

Item No. Caption and Instructions

12
(cont.) Report only the aggregate amount of those types of "other off-balance sheet liabilities" that individually exceed ten percent of the reporting bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). If the bank has no types of "other off-balance sheet liabilities" that individually exceed ten percent of total equity capital, report a zero or the word "none."

In addition, itemize with clear but concise captions those types of "other off-balance sheet liabilities" reportable in this item that individually exceed 25 percent of the bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). Enter such items in the inset boxes provided.

Include as other off-balance sheet liabilities:

- (1) Financial guarantee insurance which insures the timely payment of principal and interest on bond issues.
- (2) Letters of indemnity other than those issued in connection with the replacement of lost or stolen official checks.
- (3) Shipperside or dockside guarantees or similar guarantees relating to missing bills of lading or title documents and other document guarantees that facilitate the replacement of lost or destroyed documents and negotiable instruments.
- (4) Commitments to purchase when-issued securities, if the reporting bank does not report these commitments as forward contracts in Schedule RC-L, item 14.b below.

13 **All other off-balance sheet assets.** Report to the extent feasible and practicable all significant types of off-balance sheet assets not covered in other items of this schedule. Exclude all items which are required to be reported as assets on the balance sheet of the Report of Condition (Schedule RC), contingent assets arising in connection with litigation in which the reporting bank is involved, and assets held in or administered by the reporting bank's trust department.

Report only the aggregate amount of those types of "other off-balance sheet assets" that individually exceed ten percent of the reporting bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). If the bank has no types of "other off-balance sheet assets" that individually exceed ten percent of total equity capital for which the reporting is feasible and practicable, report a zero or the word "none."

In addition, itemize with clear but concise captions those types of "other off-balance sheet assets" reportable in this item that individually exceed 25 percent of the bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). Enter such items in the inset boxes provided.

Include as "other off-balance sheet assets" such items as internally developed intangible assets and commitments to sell when-issued securities, if the reporting bank does not report these commitments as forward contracts in Schedule RC-L, item 14.b, below.

Item No. Caption and Instructions

- 14 Gross amounts (e.g., notional amounts) of off-balance sheet derivatives.** Report in the appropriate column and subitem the gross par value (stated in U.S. dollars) (e.g., for futures, forwards, and option contracts) or the notional amount (stated in U.S. dollars) (e.g., for forward rate agreements and swaps), as appropriate, of all off-balance sheet contracts that are related to the following four types of underlying risk exposures: interest rate, foreign exchange, equity, and commodity and other. Contracts with multiple risk characteristics should be classified based upon the predominant risk characteristics at the origination of the derivative.

The notional amount or par value to be reported for an off-balance-sheet derivative contract with a multiplier component is the contract's effective notional amount or par value. For example, a swap contract with a stated notional amount of \$1,000,000 whose terms called for quarterly settlement of the difference between 5% and LIBOR multiplied by 10 has an effective notional amount of \$10,000,000.

All transactions within the consolidated bank should be reported on a net basis. No other netting of contracts is permitted for purposes of this item. Therefore, do not net: (1) obligations of the reporting bank to purchase from third parties against the bank's obligations to sell to third parties, (2) written options against purchased options, or (3) contracts subject to bilateral netting agreements.

For each column, the sum of items 14.a through 14.e must equal the sum of items 15, 16.a, and 16.b.

Column Instructions

Column A, Interest Rate Contracts: Interest rate contracts are contracts related to an interest-bearing financial instrument or whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury bill). These contracts are generally used to adjust the bank's interest rate exposure or, if the bank is an intermediary, the interest rate exposure of others. Interest rate contracts include interest rate futures, single currency interest rate swaps, basis swaps, forward rate agreements, and interest rate options, including caps, floors, collars, and corridors.

Exclude contracts involving the exchange of one or more foreign currencies (e.g., cross-currency swaps and currency options) and other contracts whose predominant risk characteristic is foreign exchange risk, which are to be reported in column B as foreign exchange contracts.

Unsettled securities transactions that exceed the regular way settlement time limit that is customary in each relevant market must be reported as forward contracts in Schedule RC-L, item 14.b, if they are not being reported on the balance sheet (Schedule RC) until the settlement date.

Column B, Foreign Exchange Contracts: Foreign exchange contracts are contracts to purchase foreign (non-U.S.) currencies and U.S. dollar exchange in the forward market, i.e., on an organized exchange or in an over-the-counter market. A purchase of U.S. dollar exchange is equivalent to a sale of foreign currency. Foreign exchange contracts include cross-currency interest rate swaps where there is an exchange of principal, forward foreign

Item No. Caption and Instructions

14
(cont.) exchange contracts (usually settling three or more business days from trade date), and currency futures and currency options. Exclude spot foreign exchange contracts which are to be reported in Schedule RC-L, item 11.

Only one side of a foreign currency transaction is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a futures contract which obligates the bank to purchase U.S. dollar exchange against which it sells deutsche marks, then the bank would report (in U.S. dollar equivalent values) the amount of deutsche marks sold in Schedule RC-L, item 14(a). In cross-currency transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported.

All amounts in column B are to be reported in U.S. dollar equivalent values.

Column C, Equity Derivative Contracts: Equity derivative contracts are contracts that have a return, or a portion of their return, linked to the price of a particular equity or to an index of equity prices, such as the Standard and Poor's 500.

The contract amount to be reported for equity derivative contracts is the quantity, e.g., number of units, of the equity instrument or equity index contracted for purchase or sale multiplied by the contract price of a unit.

Column D, Commodity and Other Contracts: Commodity contracts are contracts that have a return, or a portion of their return, linked to the price of or to an index of precious metals, petroleum, lumber, agricultural products, etc. Commodity and other contracts also include any other contracts that are not reportable as interest rate, foreign exchange, or equity derivative contracts.

The contract amount to be reported for commodity and other contracts is the quantity, e.g., number of units, of the commodity or product contracted for purchase or sale multiplied by the contract price of a unit.

The notional amount to be reported for commodity contracts with multiple exchanges of principal is the contractual amount multiplied by the number of remaining payments (i.e., exchanges of principal) in the contract.

14.a Futures contracts. Futures contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument at a specified price or yield. Futures contracts are standardized and are traded on organized exchanges that act as the counterparty to each contract.

Report, in the appropriate column, the aggregate par value of futures contracts that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as of the report date. Do not report the par value of financial instruments intended to be delivered under such contracts if this par value differs from the par value of the contracts themselves.

Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instruments or by offset. Offset is the liquidating of a

Item No. Caption and Instructions

14.a
(cont.) purchase of futures through the sale of an equal number of contracts of the same delivery month on the same underlying instrument on the same exchange, or the covering of a short sale of futures through the purchase of an equal number of contracts of the same delivery month on the same underlying instrument on the same exchange.

Column A, Interest Rate Futures: Report futures contracts committing the reporting bank to purchase or sell financial instruments and whose predominant risk characteristic is interest rate risk. Some of the more common interest rate futures include futures on 90-day U.S. Treasury bills; 12-year GNMA pass-through securities; and 2-, 4-, 6-, and 10-year U.S. Treasury notes.

Column B, Foreign Exchange Futures: Report the gross amount (stated in U.S. dollars) of all futures contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange and whose predominant risk characteristic is foreign exchange risk.

A currency futures contract is a standardized agreement for delayed delivery of a foreign (non-U.S.) currency or U.S. dollar exchange in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified amount at a specified exchange rate.

Column C, Equity Derivative Futures: Report futures contracts committing the reporting bank to purchase or sell equity securities or instruments based on equity indexes such as the Standard and Poor's 500 or the Nikkei.

Column D, Commodity and Other Futures: Report the contract amount for all futures contracts committing the reporting bank to purchase or sell commodities such as agricultural products (e.g., wheat, coffee), precious metals (e.g., gold, platinum), and non-ferrous metals (e.g., copper, zinc). Include any other futures contract that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

14.b Forward contracts. Forward contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument or commodity at a specified price or yield. Forward contracts are not traded on organized exchanges and their contractual terms are not standardized.

Report the aggregate par value of forward contracts that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as of the report date. Do not report the par value of financial instruments intended to be delivered under such contracts if this par value differs from the par value of the contracts themselves.

Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instruments or settled in cash. Such contracts can only be terminated, other than by receipt of the underlying asset, by agreement of both buyer and seller.

Include commitments to purchase and sell when-issued securities as forward contracts on a gross basis (except that banks may net purchases and sales of the identical security with the same party) unless the reporting bank does not include these commitments as part of its disclosures about off-balance sheet derivatives for other financial reporting purposes. In

Item No. **Caption and Instructions**

14.b
(cont.) that case, report commitments to purchase when-issued securities as "Other off-balance sheet liabilities" in Schedule RC-L, item 12, and commitments to sell when-issued securities as "Other off-balance sheet assets" in Schedule RC-L, item 13, subject to the existing reporting thresholds for these two items.

Column A, Interest Rate Forwards: Report forward contracts committing the reporting bank to purchase or sell financial instruments and whose predominant risk characteristic is interest rate risk. Include in this item firm commitments (i.e., commitments that have a specific interest rate, selling date, and dollar amount) to sell loans secured by 1-to-4 family residential properties.

Column B, Foreign Exchange Forwards: Report the gross amount (stated in U.S. dollars) of all forward contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange and whose predominant risk characteristic is foreign exchange risk.

A forward foreign exchange contract is an agreement for delayed delivery of a foreign (non-U.S.) currency or U.S. dollar exchange in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified amount at a specified exchange rate.

Column C, Equity Derivative Forwards: Report forward contracts committing the reporting bank to purchase or sell equity instruments.

Column D, Commodity and Other Forwards: Report the contract amount for all forward contracts committing the reporting bank to purchase or sell commodities such as agricultural products (e.g., wheat, coffee), precious metals (e.g., gold, platinum), and non-ferrous metals (e.g., copper, zinc). Include any other forward contract that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

14.c **Exchange-traded option contracts.** Option contracts convey either the right or the obligation, depending upon whether the reporting bank is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Some options are traded on organized exchanges.

The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to sell some financial instrument or commodity at the option of the buyer of the contract.

Item No. Caption and Instructions

- 14.c.(1) Written options.** Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date.

Column A, Written Exchange-Traded Interest Rate Options: For exchange-traded option contracts obligating the reporting bank to either purchase or sell an interest rate futures contract and whose predominant risk characteristic is interest rate risk, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Column B, Written Exchange-Traded Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for compensation, obligated itself to either purchase or sell under exchange-traded option contracts whose predominant risk characteristic is foreign exchange risk. In the case of option contracts obligating the reporting bank to either purchase or sell a foreign exchange futures contract, report the gross amount (stated in U.S. dollars) of the foreign (non-U.S.) currency underlying the futures contract. Exchange-traded options on major currencies such as the Japanese Yen, British Pound Sterling and French Franc and options on futures contracts of major currencies are examples of such contracts.

Column C, Written Exchange-Traded Equity Derivative Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell an equity instrument or equity index.

Column D, Written Exchange-Traded Commodity and Other Exchange-Traded Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell a commodity or product. Include any other written, exchange-traded option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

- 14.c.(2) Purchased options.** Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for a fee or premium, purchased the right to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date.

Column A, Purchased Exchange-Traded Interest Rate Options: For exchange-traded option contracts giving the reporting bank the right to either purchase or sell an interest rate futures contract and whose predominant risk characteristic is interest rate risk, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Column B, Purchased Exchange-Traded Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for a fee, purchased the right to either purchase or sell under exchange-traded option contracts whose predominant risk characteristic is foreign exchange risk. In the case of option contracts giving the reporting bank the right to either purchase or sell a currency futures contract, report the gross amount (stated in

Item No. Caption and Instructions

- 14.c.(2)** U.S. dollars) of the foreign (non-U.S.) currency underlying the futures contract.
(cont.) Exchange-traded options on major currencies such as the Japanese Yen, British Pound Sterling and French Franc and options on futures contracts of major currencies are examples of such contracts.

Column C, Purchased Exchange-Traded Equity Derivative Options: Report the contract amount of those exchange-traded option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell an equity instrument or equity index.

Column D, Purchased Exchange-Traded Commodity and Other Exchange-Traded Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell a commodity or product. Include any other purchased, exchange-traded option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

- 14.d** **Over-the-counter option contracts.** Option contracts convey either the right or the obligation, depending upon whether the reporting bank is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Options can be written to meet the specialized needs of the counterparties to the transaction. These customized option contracts are known as over-the-counter (OTC) options. Thus, over-the-counter option contracts include all option contracts not traded on an organized exchange.

The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to sell some financial instrument or commodity at the option of the buyer of the contract.

In addition, swaptions, i.e., options to enter into a swap contract, and contracts known as caps, floors, collars, and corridors should be reported as options.

Options such as a call feature that are embedded in loans, securities, and other on-balance sheet assets are not to be reported in Schedule RC-L. Commitments to lend are not considered options for purposes of Schedule RC-L, item 14, but should be reported in Schedule RC-L, item 1.

- 14.d.(1)** **Written options.** Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under OTC option contracts that are outstanding as of the report date. Also report an aggregate notional amount for written caps, floors, and swaptions and for the written portion of collars and corridors.

Column A, Written OTC Interest Rate Options: Interest rate options include options to purchase and sell interest-bearing financial instruments and whose predominant risk characteristic is interest rate risk as well as contracts known as caps, floors, collars, corridors, and swaptions. Include in this item the notional principal amount for interest

Item No. Caption and Instructions

14.d.(1) rate caps and floors that the reporting bank sells. For interest rate collars and corridors, (cont.) report a notional amount for the written portion of the contract in Schedule RC-L, item 14.d.(1), column A, and for the purchased portion of the contract in Schedule RC-L, item 14.d.(2), column A.

Column B, Written OTC Foreign Exchange Options: A written currency option contract conveys the obligation to exchange two different currencies at a specified exchange rate. Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for compensation, obligated itself to either purchase or sell under OTC option contracts whose predominant risk characteristic is foreign exchange risk.

Column C, Written OTC Equity Derivative Options: Report the contract amount for those OTC option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell an equity instrument or equity index.

Column D, Written OTC Commodity and Other OTC Options: Report the contract amount for those OTC option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell a commodity or product. Include any other written, OTC option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

14.d.(2) **Purchased options.** Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for a fee or premium, purchased the right to either purchase or sell under OTC option contracts that are outstanding as of the report date. Also report an aggregate notional amount for purchased caps, floors, and swaptions and for the purchased portion of collars and corridors.

Column A, Purchased OTC Interest Rate Options: Interest rate options include options to purchase and sell interest-bearing financial instruments and whose predominant risk characteristic is interest rate risk as well as contracts known as caps, floors, collars, corridors, and swaptions. Include in this item the notional principal amount for interest rate caps and floors that the reporting bank purchases. For interest rate collars and corridors, report a notional amount for the written portion of the contract in Schedule RC-L, item 14.d.(1), column A, and for the purchased portion of the contract in Schedule RC-L, item 14.d.(2), column A.

Column B, Purchased OTC Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for a fee, purchased the right to either purchase or sell under option contracts whose predominant risk characteristic is foreign exchange risk.

Column C, Purchased OTC Equity Derivative Options: Report the contract amount of those OTC option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell an equity instrument or equity index.

Column D, Purchased OTC Commodity and Other OTC Options: Report the contract amount for those option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell a commodity or product. Include any other purchased OTC option that is not reportable as an interest rate, foreign exchange or equity derivative contract in column A, B, or C.

Item No. Caption and Instructions

- 14.e Swaps.** Swaps are transactions in which two parties agree to exchange payment streams based on a specified notional amount for a specified period. Forward starting swap contracts should be reported as swaps. The notional amount of a swap is the underlying principal amount upon which the exchange of interest, foreign exchange or other income or expense is based. The notional amount to be reported for a swap contract with a multiplier component is the contract's effective notional amount. In those cases where the reporting bank is acting as an intermediary, both sides of the transaction are to be reported.

Column A, Interest Rate Swaps: Report the notional amount of all outstanding interest rate and basis swaps whose predominant risk characteristic is interest rate risk. Such swaps may be undertaken by the reporting bank to hedge its own interest rate risk, in an intermediary capacity, or to hold in inventory.

Column B, Foreign Exchange Swaps: Report the notional principal amount (stated in U.S. dollars) of all outstanding cross-currency interest rate swaps, whether the swap is undertaken by the reporting bank to hedge its own exchange rate risk, in an intermediary capacity, or to hold in inventory.

A cross-currency interest rate swap is a transaction in which two parties agree to exchange principal amounts of different currencies, usually at the prevailing spot rate, at the inception of an agreement which lasts for a certain number of years. At defined intervals over the life of the swap, the counterparties exchange payments in the different currencies based on specified rates of interest. When the agreement matures, the principal amounts will be re-exchanged at the same spot rate. The notional amount of a cross-currency interest rate swap is generally the underlying principal amount upon which the exchange is based.

Column C, Equity Swaps: Report the notional amount of all outstanding equity or equity index swaps, whether the swap is undertaken by the reporting bank to hedge its own equity-based risk, in an intermediary capacity, or to hold in inventory.

Column D, Commodity and Other Swaps: Report the notional principal amount of all other swap agreements that are not reportable as either interest rate, foreign exchange, or equity derivative contracts in column A, B, or C. The notional amount to be reported for commodity contracts with multiple exchanges of principal is the contractual amount multiplied by the number of remaining payments (or exchanges of principal) in the contract.

- 15 Total gross notional amount of derivative contracts held for trading.** Report, in the appropriate column, the total notional amount or par value of those off-balance-sheet derivative contracts in Schedule RC-L, item 14 above that are held for trading purposes. Contracts held for trading purposes include those used in dealing and other trading activities accounted for at market value (or at lower of cost or market value) with gains and losses recognized in earnings. Derivative instruments used to hedge trading activities should also be reported in this item.

Derivative trading activities include (a) regularly dealing in interest rate contracts, foreign exchange contracts, equity derivative contracts, and other off-balance sheet commodity contracts, (b) acquiring or taking positions in such items principally for the purpose of selling in the near term or otherwise with the intent to resell (or repurchase) in order to profit from short-term price movements, or (c) acquiring or taking positions in such items as an accommodation to customers.

Item No. Caption and Instructions

15
(cont.) The reporting bank's trading department may have entered into a derivative contract with another department or business unit within the consolidated bank (and which has been reported on a net basis in accordance with the instructions to Schedule RC-L, item 14 above). If the trading department has also entered into a matching contract with a counterparty outside the consolidated bank, the contract with the outside counterparty should be designated as held for trading or as held for purposes other than trading consistent with the contract's designation for other financial reporting purposes.

16 Gross notional amount of derivative contracts held for purposes other than trading

16.a Contracts marked to market. Report, in the appropriate column, the total notional amount or par value of those contracts in Schedule RC-L, item 14 above that are held for purposes other than trading and that, for purposes of these reports, are accounted for at market value or lower of cost or market value with gains and losses recognized either in earnings or in equity capital.

Include in this item (a) off-balance-sheet contracts used to hedge debt and equity securities classified as available-for-sale, (b) foreign exchange contracts that are designated as, and are effective as, economic hedges of a net investment in a foreign office, (c) intercompany foreign exchange contracts of a long-term investment nature when the parties to the contract are consolidated, combined or accounted for by the equity method, and (d) off-balance-sheet contracts used to hedge other assets or liabilities not held for trading purposes that are accounted for at market value.

16.b Contracts not marked to market. Report, in the appropriate column, the total notional amount or par value of all contracts in Schedule RC-L, item 14 above that are not accounted for at market value or lower of cost or market value. Include in this item the notional amount or par value of contracts such as swap contracts intended to hedge interest rate risk on commercial loans that are accounted for on the accrual basis.

16.c Interest rate swaps where the bank has agreed to pay a fixed rate. Report the notional amount of all outstanding interest rate swaps included in Schedule RC-L, items 16.a and 16.b, column A, above, on which the reporting bank is obligated to pay a fixed rate. The interest rate swaps that are reported in this item will also have been reported in Schedule RC-L, item 14.e, column A. Interest rate swaps that are held for trading should not be reported in this item 16.c.

A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the interest rate swap, and is known to both the bank and the swap counterparty. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the interest rate swap on a predetermined basis, with the exact rate of interest over the life of the swap known with certainty to both the bank and the swap counterparty at the origination of the transaction.

17 Gross fair values of derivative contracts. (Item 17 is to be completed only by banks that file the FFIEC 031, 032, or 033 report forms.) Report in the appropriate column and subitem below the fair (or market) value of all off-balance-sheet derivative contracts reported in Schedule RC-L, items 15, 16.a, and 16.b above. For each of the four types of underlying risk exposure in columns A through D, the gross positive and gross negative fair values will be reported separately for (i) contracts held for trading purposes (in item 17.a), (ii) contracts held for purposes other than trading that are marked to market for Call Report

Item No. Caption and Instructions

17
(cont.) purposes (in item 17.b), and (iii) contracts held for purposes other than trading that are not marked to market (in item 17.c). Guidance for reporting by type of underlying risk exposure is provided in the instructions for Schedule RC-L, item 14 above. Guidance for reporting by purpose and accounting methodology is provided in the instructions for Schedule RC-L, items 15, 16.a, and 16.b above.

All transactions within the consolidated bank should be reported on a net basis. No other netting of contracts is permitted for purposes of this item. Therefore, do not net (1) obligations of the reporting bank to buy against the bank's obligations to sell, (2) written options against purchased options, (3) positive fair values against negative fair values, or (4) contracts subject to bilateral netting agreements.

Report as fair value the amount at which a contract could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. If a quoted market price is available for a contract, the fair value to be reported for that contract is the product of the number of trading units of the contract multiplied by that market price. If a quoted market price is not available, report the bank's best estimate of fair value based on the quoted market price of a similar contract or on valuation techniques such as discounted cash flows. For purposes of item 17, the reporting bank should determine the fair value of its off-balance sheet derivative contracts in the same manner that it determines the fair value of these contracts for other financial reporting purposes. For example, for interest rate swaps, fair value may include accrued net settlement amounts which have not been paid or received. Otherwise, do not combine, aggregate, or net the reported fair value with the fair or book value of any other derivative or asset or liability.

- 17.a Contracts held for trading.** Report in the appropriate column and subitem the gross positive and gross negative fair values of those contracts held for trading reported in Schedule RC-L, item 15 above.
- 17.a.(1) Gross positive fair value.** Report in the appropriate column the total fair value of those contracts in Schedule RC-L, item 15 above with positive fair values.
- 17.a.(2) Gross negative fair value.** Report in the appropriate column the total fair value of those contracts in Schedule RC-L, item 15 above with negative fair values. Report the total fair value as an absolute value, do not enclose the total fair value in parentheses or use a minus (-) sign.
- 17.b Contracts held for purposes other than trading that are marked to market.** Report in the appropriate column and subitem the gross positive and gross negative fair values of those contracts held for purposes other than trading that are reported in Schedule RC-L, item 16.a above.
- 17.b.(1) Gross positive fair value.** Report in the appropriate column the total fair value of those contracts in Schedule RC-L, item 16.a above with positive fair values.
- 17.b.(2) Gross negative fair value.** Report in the appropriate column the total fair value of those contracts in Schedule RC-L, item 16.a above with negative fair values. Report the total fair value as an absolute value, do not enclose the total fair value in parentheses or use a minus (-) sign.

Item No. **Caption and Instructions**

- 17.c** **Contracts held for purposes other than trading that are not marked to market** Report in the appropriate column and subitem the gross positive and negative fair values of those contracts held for purposes other than trading that are reported in Schedule RC-L, item 16.b above.
- 17.c.(1)** **Gross positive fair value**. Report in the appropriate column the total fair value of those contracts in Schedule RC-L, item 16.b above with positive fair values.
- 17.c.(2)** **Gross negative fair value**. Report in the appropriate column the total fair value of those contracts in Schedule RC-L, item 16.b above with negative fair values. Report the total fair value as an absolute value, do not enclose the total fair value in parentheses or use a minus (-) sign.

Memoranda**Item No. Caption and Instructions**

1-2 Not applicable.

- 3 **Unused commitments with an original maturity exceeding one year that are reported in items 1.a through 1.e above.** Report in this item all unused commitments that obligate the bank to extend credit in the form of loans or participations in loans, lease financing receivables, or similar transactions that are included in Schedule RC-L, items 1.a through 1.e, and have an original maturity exceeding one year. Original maturity is defined as the length of time between the date the commitment is issued and the date of maturity, or the earliest date on which the bank (1) is scheduled to (and as a normal practice actually does) review the facility to determine whether or not it should be extended and (2) can unconditionally cancel the commitment. Unused commitments with an original maturity exceeding one year are to be reported gross, i.e., include in this item the amounts of commitments acquired from and conveyed to others.

Include only the unused portion of commitments that are fee paid or otherwise legally binding and that have an original maturity exceeding one year. In addition, forward agreements and commitments to issue a commitment at some point in the future that have an original maturity exceeding one year are to be included. For these types of commitments, original maturity is to be measured from the date on which the initial commitment is issued. In other words, the maturities of the commitment to issue a commitment and the commitment itself are viewed on a combined basis when determining original maturity.

Exclude those commitments that are unconditionally cancellable or have a maturity of one year or less. In the case of consumer home equity or mortgage lines of credit secured by liens on 1-4 family residential properties, the bank is deemed able to unconditionally cancel the commitment for the purpose of this criterion if, at its option, it can prohibit additional extensions of credit, reduce the credit line, and terminate the commitment to the full extent permitted by relevant federal law. Retail credit cards and related plans are defined to be short-term commitments excludable from this item if the bank has the unconditional right to cancel the line of credit at any time, in accordance with applicable law.

- 3.a **Participations in commitments with an original maturity exceeding one year conveyed to others.**

Memorandum item 3.a is not applicable to banks filing the FFIEC 034 report form.

Report in this item that portion of the reporting bank's commitments to extend credit with an original maturity exceeding one year (that were reported in Memorandum item 3 above) that the bank has conveyed to others.

- 4 **Standby letters of credit (both financial and performance) (and foreign office guarantees -- for FFIEC 031) issued to non-U.S. addressees (domicile).**

Memorandum item 4 is to be completed only by those banks filing the FFIEC 031 and 032 report forms that have \$1 billion or more in total assets.

Memoranda**Item No. Caption and Instructions**

- 4** Report the amount of standby letters of credit (and foreign office guarantees) issued to
(cont.) non-U.S. addressees. The distinction between U.S. addressees and non-U.S. addressees is
determined by the domicile of the account party, not the domicile of the beneficiary. See the
Glossary entry for "domicile."

5 **Loans to individuals for household, family, and other personal expenditures that have been
securitized and sold (with servicing retained), amounts outstanding by type of loan**

Memorandum items 5.a through 5.c are applicable only to banks filing the FFIEC 031 and 032 report forms.

Report in the appropriate subitem the amount outstanding of consumer loans, by type of loan, included in packages of asset-backed securities which the bank has transferred in transactions that have been reported as sales in accordance with these instructions and for which the servicing of the loans has been retained ("securitized loans"). The amounts reported should include loans securitized and sold in all prior quarters as well as in the current quarter. Because they have been reported as sold, these securitized consumer loans are no longer included as assets on the balance sheet of the reporting bank and thus are not reported in Schedule RC-C, item 6, "Loans to individuals for household, family, and other personal expenditures."

Exclude from Memorandum item 5:

- (1) Consumer loans that have been sold in a form other than as a package to collateralize an asset-backed security.
- (2) Securitized consumer loans that have been sold without servicing retained by either the reporting bank or an affiliate of the reporting bank.
- (3) All loans secured by real estate that have been securitized and sold, including loans for the purchase or holding of mobile homes (a) where state laws define the purchase or holding of a mobile home as the purchase or holding of real property and (b) where the loans themselves are secured by the mobile homes as evidenced by mortgages or other instruments on real property.

5.a **Loans to purchase private passenger automobiles.** Memorandum item 5.a is to be completed for the September report only.

Report the amount outstanding of securitized loans to individuals, both direct loans and indirect loans (purchased paper), arising from the retail sale of private passenger automobiles, regardless of whether the loans are collateralized by the automobiles. For purposes of this item, private passenger automobiles include minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use.

Exclude from this item securitized loans to individuals for the purpose of purchasing motorcycles, travel trailers, campers, recreational vehicles (RVs), and other similar vehicles for personal use (report in Memorandum item 5.c below).

Memoranda**Item No. Caption and Instructions**

5.b Credit cards and related plans. Memorandum item 5.b is to be completed each quarter.

Report the amount outstanding of securitized extensions of credit to individuals for household, family, and other personal expenditures arising from bank credit cards and related plans. (Refer to the instruction for Schedule RC-C, item 6.a, for further information on "Credit cards and related plans.")

5.c All other consumer credit. Memorandum item 5.c is to be completed for the September report only.

Report the amount outstanding of all other securitized loans to individuals for household, family, and other personal expenditures.

Include in Memorandum item 5.c loans not secured by real estate:

- (1) Arising from the sale to individuals of new or used private mobile homes, regardless of whether the loan is collateralized by the mobile home.
- (2) For the purchase of boats; motorcycles; travel trailers, campers, and similar recreational vehicles (RVs); household appliances; or furniture.
- (3) For repairs or improvements to the borrower's residence.
- (4) For educational expenses (including all student loans, whether payments are required currently or will begin at a future date, e.g., after graduation), medical expenses, personal taxes, vacations, consolidation of personal (nonbusiness) debts, and other personal expenditures.